

## (b) Executive Summary

Isolux Infrastructure Netherlands B.V. (“Isolux”) as Proposer, together with its team members (“I-69 Development Partners”), presents to the Indiana Finance Authority (IFA) its Statement of Qualifications (SOQ) to design, build, finance, operate and maintain the I-69 Section 5 Project through a Public-Private Partnership Agreement.

### 1. Team Description and Experiences

Isolux is proud to present a highly talented team capable of performing the I-69 Section 5 Project (the “Project”). Collectively, the team members have the capability and expertise required to fulfill all its obligations:

**Proposer and sole Equity Member: Isolux Infrastructure Netherlands, B.V. (Isolux).** Until 2012, Isolux Concesiones was a wholly owned subsidiary of Grupo Isolux Corsán S.A. (GIC), a global company specializing in large scale infrastructure projects in five market sectors: heavy civil construction, concessions, engineering, energy and industrial services. With presence in more than 20 countries and four continents, GIC’s 2012 revenue exceeded \$4.4 billion, employs directly over 7,700 people and is ranked 47 out of the top 225 International Contractors according to 2012 Engineering News Record (ENR). In 2012, GIC reorganized its global concessions business into a new entity, Isolux Infrastructure, a private limited liability company organized under the laws of The Netherlands. As part of that reorganization, Public Sector Pension Investment Board (“PSP”), an AAA rated Canadian Crown Corporation with \$60 billion of assets under management, acquired 19.23% of the equity share capital of Isolux Infrastructure. GIC retained the remaining 80.77 %. As a result of this transaction, both sponsors committed to invest into Isolux Infrastructure an amount of \$709 million of equity (\$628 million from PSP and \$81 million from GIC). This amount is fully available to fund the construction of Isolux existing concessions and also for bidding new projects such as the I-69 Section 5. As of May 2013, \$393 million have already been infused into Isolux and the remaining \$316 million will be injected when existing and/or future projects require it.

Isolux currently manages a global concessions portfolio of eight highway concessions totaling 1,000 miles, eight power transmission lines totaling more than 3,400 miles and six solar photovoltaic fields. Three of these projects are in the US; WETT (high-voltage transmission lanes in Texas), Sol Orchard Imperial (a solar photovoltaic field in California) and San German (a solar photovoltaic field in Puerto Rico). Isolux is also involved in other procurement processes in the US P3 market, participating in projects such as the Jefferson Parkway Project (in exclusive negotiation with the owner) and the US 36 Managed Lanes Phase 2 (an unsuccessful proposal was submitted in April 2013) in Colorado, a Multiple Award Task Order Contract (MATOC) process with the US Army Corps of Engineers and the “Gates-Gregg” transmission lanes project in California.

**Lead Contractor: Corsan-Corviam Construcción, S.A. (Corsan):** The lead contractor will be Corsan-Corviam Construcción, S.A. (Corsan). Corsan is a wholly-owned subsidiary of GIC and is the head company of the heavy-civil construction division. With more than 80 years of experience, Corsan operates in two business segments: heavy civil construction (highways, railroads, waterworks, etc), which represents 77% of its activity, and building construction, which represents the remaining 23%. In 2012, Corsan had total revenue of more than \$1.2 billion, including its subsidiaries around the world, and a portfolio of almost \$4.5 billion, 64% of which is international.

As a corporation Corsan has been operating as a heavy civil contractor since 1928, and due to an internal reorganization, all its activities, duties and professional classifications were integrated in a newly formed corporation established in 1989 under the laws of Spain.

With a presence in four continents and fifteen countries, Corsan has significant experience in turn-key contracts, and has been responsible for the design-build (D/B) portion of all the highway concession contracts awarded to Isolux.

**Lead Engineering Firm: AZTEC/TYPSA:** The lead engineering role will be filled by AZTEC Engineering and TYPSA. These companies plan to form a 60/40 Joint Venture (JV) to serve as the Lead Engineering Firm entity (“AZTEC-TYPSA”). Established in 1992, AZTEC has grown from a two-person firm to a corporation of over 130 personnel. For the first 10 years of the company’s history, AZTEC was a DBE-qualified firm. In 2006, AZTEC became part of the TYPSA Group, an international design consultancy firm with 50 offices and over 1,800 employees; this merger is a testament to AZTEC’s long-term financial stability and reputation. TYPSA was ranked 92 out of the top 200 International Design Firms in 2012, according to ENR. AZTEC-TYPSA’s infrastructure experience encompasses every aspect of the transportation design from local intersection improvements to arterial streets, rural highways, interstates and urban freeways and bridges.

**Lead Firm Responsible for Operations and Maintenance: Isolux Infrastructure Netherlands, B.V. (Isolux):** The Concession Company will self-perform the operation and maintenance activities. As Isolux will be the sole Equity Member of the Concession Company, with a 100% ownership, Isolux is presented as Lead Firm Responsible for Operations and Maintenance. In the eight DBFOM transportation projects Isolux has in its portfolio, the O&M activities are self-performed by the Concessionaire, benefiting from the experience and support of Isolux O&M experts. Under this approach, Isolux is currently performing the O&M activities on 500 miles of highways and 300 miles of other type of roads. In most of them, O&M activities are developed by Isolux simultaneously with Corsan’s construction activity.

**Other members of the team: Engineering Subconsultants:**

Burgess & Niple, Inc. Burgess & Niple (B&N) was established in 1912 and today is a nationally recognized architectural and engineering firm corporately based out of Ohio with branch office in Indianapolis, IN. B&N is currently ranked 138th (for 2011 billings) in ENR Top 500 Design Firms. B&N employs over 400 personnel nationwide. B&N has an excellent reputation for quality and integrity in architectural and engineering services.

Christopher B. Burke Engineering, LLC. Christopher B. Burke Engineering, LLC (CBBEL) specializes in the planning, design and construction management of municipal and private infrastructure projects including stormwater, flood control, wastewater, environmental management, transportation and recreation. The firm was established by Christopher B. Burke, Ph.D., P.E. in 1986 and includes nearly 50 professionals in offices in Indianapolis, Fort Wayne, South Bend, Crown Point and Columbus

Infrastructure Engineering, Inc. Infrastructure Engineering, Inc. (IEI) is one of the largest minority-owned civil engineering firms in the Midwest with offices in Chicago, IL, Peoria, IL, Indianapolis, IN and Omaha, NE. Since its inception in 1997, has grown to have a staff of over 60 professionals consisting of engineers, technicians and administrative support and 20 registered professional engineers.

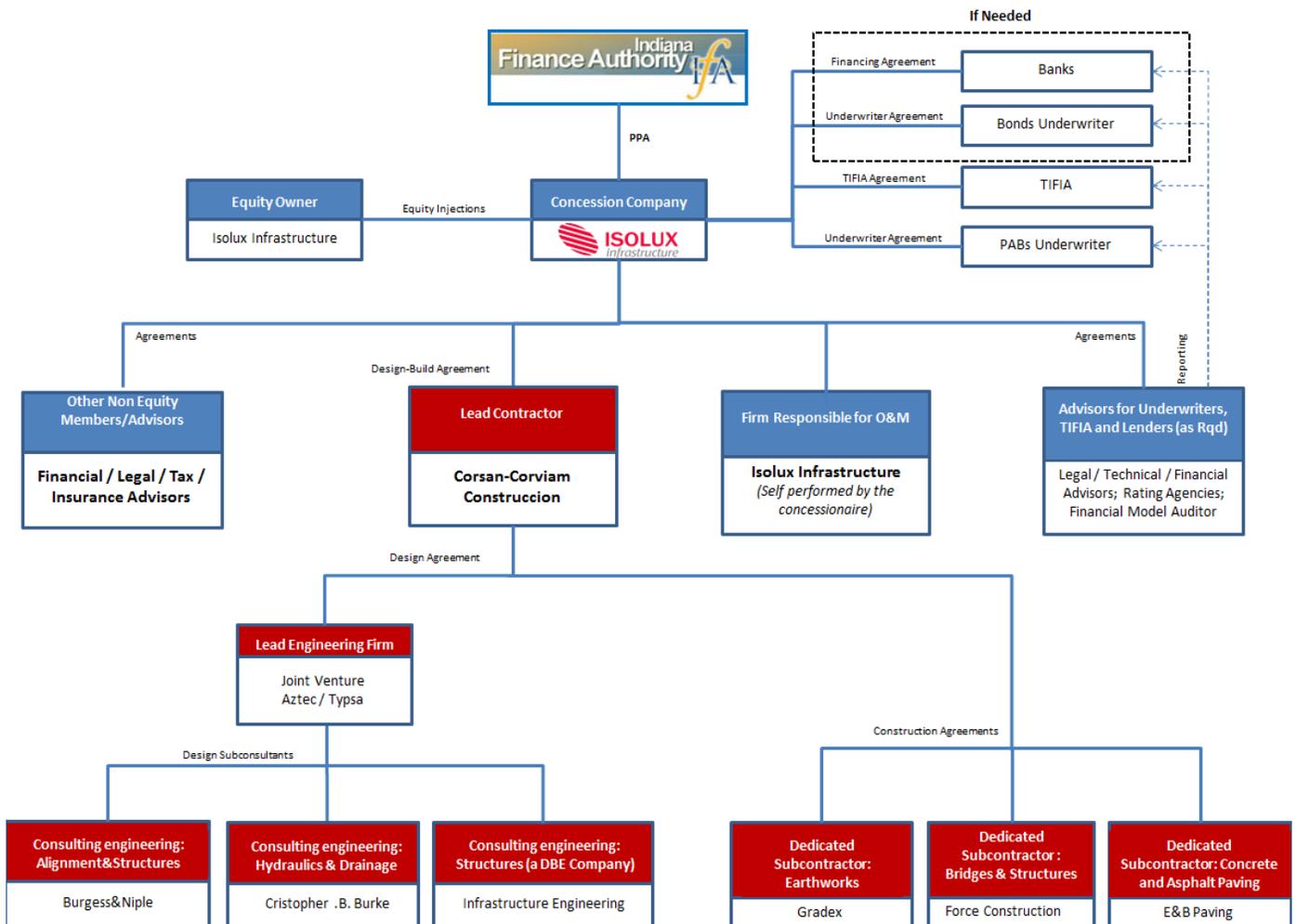
**Other members of the team: Construction Subcontractors:**

Gradex, Inc. Grading and Excavating. Gradex, Inc., with headquarters in Carmel, IN, was founded forty years ago and has performed over 1,000 projects in Indiana and across the country. Gradex has worked as both a prime contractor and subcontractor for INDOT. Gradex employs nearly 400 people during the construction season and utilizes over 300 pieces of owned heavy equipment.

Force Construction Company, Inc. Force Construction, with headquarters in Columbus, IN, was founded in 1946. The firm currently employs more than 300 employees between managerial and administration positions and construction workforce. Force Construction has extensive experience in developing construction projects in the state of Indiana and has built several main bridges and overpasses in other stretches of the I-69.

E&B Paving, Inc. Founded in 1967 and headquartered in Anderson, IN., E&B Paving, Inc. is a wholly-owned subsidiary of Irving Materials, Inc., one of the Midwest’s largest concrete, aggregate and building materials suppliers with operations in Indiana, Kentucky and Tennessee. E&B Paving has ten offices, 13 permanent asphalt plants, and five portable asphalt and concrete plants strategically located throughout Indiana that deliver world-class asphalt, concrete and roller-compacted concrete paving solutions to a broad range of customers.

This organization is presented in the chart below



**Key personnel:** As shown below, the I-69 Development Team includes an experienced and skilled group of experts to guarantee the success of this Public-Private Partnership project.

| Role                                    | Individual                     | Relevance experience which can add value to IFA   |
|---|--------------------------------|---|
| <b>Project Executive</b>                | Jose A. Labarra (Isolux)       | CEO for a US DBFOM transportation project (SH130 in Texas).<br>Project Executive for several Isolux DBFOM transportation projects.  |
| <b>Project Manager</b>                  | Jose R. Ballesteros (Isolux)   | CEO for the A-4 expressway which is a very similar project to the I-69 section 5 (as shown in section 1.7).<br>Project Manager for several procurement processes in the US (US 36 Managed Lanes for Colorado for which Isolux presented a second ranked proposal last April and Jefferson Parkway Highway in Colorado).<br>Project manager and member of the board of directors for an availability payment project (Albali). |
| <b>Technical Deputy Project Manager</b> | Carlos Ursua (Isolux)          | CEO for the Monterrey Saltillo project during its construction.<br>COO for the AP-41 DBFOM project, in charge of the O&M department.<br>Currently Technical Deputy Project Manager for two projects in India (NH-6 and NH-8) being responsible for overseeing the D/B team.   |
| <b>Financial Deputy Project Manager</b> | Miguel Garrido (Isolux)        | Financial manager for the bonds issuance for two different P3 projects (Monterrey-Salttillo and Cachoeira Paulista)<br>Project finance lead for several P3 projects, including one in US (WETT)   |
| <b>O&amp;M Manager</b>                  | Miguel Angel Barranco (Isolux) | O&M Manager for a DBFOM as Monterrey-Salttillo  |
| <b>Construction Manager</b>             | Vicente Ferrio Diaz (Corsan)   | Construction Manager for several Isolux DBFOM large projects such as Monterrey-Salttillo and Via Bahia  |
| <b>Design Manager</b>                   | Michael Riggs (AZTEC)          | Design Manager for several D/B projects and one P3 project in the US and Design Coordinator for Canadian P3, working for both the private and the public sectors  |
| <b>Quality Manager</b>                  | Luis J. de Leon (Isolux)       | Quality Manager for an Isolux DBFOM project as Monterrey-Salttillo  |

## 2. Management Approach

If the Proposer is selected as Preferred Proposer, Isolux will form a special purpose vehicle (SPV) (hereinafter referred to as the Concession Company or the Concessionaire) that will enter into the Public-Private Partnership Agreement (“PPA”) with IFA and will be its sole point of contact for the entire term of the PPA.

The Concession Company will assume responsibility for the development, design, construction, financing, and operation and maintenance (O&M) of the Project in accordance with the terms of the PPA. A structure of back-to-back contracts under the global coordination of the Concession Company will guarantee the successful development of the Project, minimizing the complexities associated with DBFOM projects.

The Concession Company will enter into a fixed price, fixed date, turn-key Design and Build contract (D/B Contract) with the Lead Contractor on a back-to-back basis with respect to the Concession Company’s construction phase obligations under the PPA.

The Lead Contractor will enter into a design agreement with the Lead Engineering Firm for the performance of the final design.

The Concession Company, (wholly owned by Isolux) will self-perform all the operation and maintenance activities required by the PPA. The availability payments will be subject to reduction

according to objective criteria and a formula for impermissible closures to traffic of the Project, for other specified unavailability events or for failure by the Developer to meet specific performance requirements and standards. This approach will ensure the correct performance of these activities. The Concession Company will also self-perform life cycle maintenance for the Project. This will assure that its interface with routine maintenance will not be a challenge.

In order to perform these tasks in a successful way, the Concession Company will engage the best professionals amongst Isolux's experts and experts from the local market.

The core team Equity Member, Lead Contractor, and Lead O&M Company is integrated by firms of the same organization – Grupo Isolux Corsán. To ensure success of this Project, the approach that has been chosen is the same that has been proven successful by Isolux in developing eight major transportation projects under a DBFOM delivery format. This brings to the Team an integrated functionality, consistency of purpose and a vast experience of working together. This relationship also allows for key functions to benefit from clear lines of authority and responsibility and enables the Team to work in a fully integrated manner, which is essential for a successful P3 project delivery.

### 3. Technical Approach

Isolux and the I-69 Development Partners Team have the following goals for the project:

- Achievement of substantial completion for the Project by fall 2016
- Reduce traffic safety problems and ease of existing and forecasted traffic congestion, providing congestion relief on SR 37 (soon to be I-69).
- Strengthen the transportation network in Southwest Indiana
- Encourage design solutions that respond to actual and anticipated environmental concerns, permits and commitments.
- Provide a safe project for workers and the traveling public and a high quality, durable and maintainable facility.
- Meet Disadvantaged Business Enterprise (“DBE”) goals and provide project “on-the-job” training (“OJT”) program.

In order to meet all the aforementioned goals the Team general approach to advancing Project development will be as follows.

**Procurement Phase:** During the procurement phase, Isolux, Corsan and AZTEC-TYPSA will work jointly at co-located office in Indianapolis as a single, integrated entity. Procurement phase development activities will include:

- Conducting all the necessary studies and research to define the technical.
- Design and construction studies, to include specific studies for geotechnical issues related to karst and to erosion control/sedimentation.
- Conceptual design validation and betterments based on results of the studies performed.
- Value engineering study investigating alternative technical concepts.
- Quantity and price development working with local suppliers.
- Early involvement of Isolux O&M staff with the D/B Team to build durability and maintainability into the design along with estimation of life cycle maintenance cost.
- Negotiation and execution of all legal agreements to allow the Team to respond immediately upon selection and hit the ground running.

**Design & Build Phase:** Once the Project is awarded, the D/B Team will continue in their co-located facility and will immediately start developing the final design. We will take full advantage of the design-build delivery method and intend to maximize the overlap of design and construction activities wherever possible through early work packages. Design and build phase activities will include:

- Development of Quality Management Plan (QMP)
- Cost and schedule controls
- Document management system
- Environmental Management Plan

Special attention given to geotechnical issues related with karst and to the erosion management control during the procurement phase will be maintained in the D/B phase. The team will undertake all necessary geotechnical investigations as needed

**Operations and Maintenance Phase:** Once awarded with the Project, Isolux will appoint an experienced and skilled management team to start-up the O&M department of the Concession Company. This management team will hire the best professionals in the local market and will then lead and oversee them in order to fulfill all the O&M requirements. The Concession Company, in cooperation with Isolux internal O&M experts will develop an Operation and Maintenance Plan that will set up the process to be followed in the starting of operations. Special attention would be given to maintenance works during construction, if construction works are developed with the road already in operation.

During this phase, special attention will be given to the erosion control. Erosion is an issue that will be present for the whole concession period and surveys will be developed to regularly inspect and repair all the erosion mitigation devices put in place during the construction. Those devices will be monitored in order to know its conditions at any moment, allowing for performance of any preventive maintenance task required.

The Concession Company will inform the public about the impact of maintenance activities affecting the traffic flow through signing, newspaper notices and other print and electronic media.

#### 4. Financial Approach

Isolux brings to the Project a vast expertise and a strong experience in developing and implementing financial plans for privately financed surface transportation P3 projects. The Proposer will seek to finalize its financing plans to the maximum possible degree during the request for proposals (RFP) phase and will work to minimize the availability payment. To this end, the Proposer expects to fully explore all the potential financing markets to implement the most efficient combination of equity, TIFIA loan, PABs and debt.

For the development and implementation of the Project financial plan, Isolux and its advisors (Financial and Legal) will work as a single and coordinated team. Isolux has its own project financing department staffed with professionals having extensive experience in structuring and closing financing for P3 projects across the globe. Isolux has completed financing deals for road concession projects in Spain, Brazil, India and Mexico, for an aggregate value of over \$5 billion. Through these transactions, Isolux has developed and maintained strong relationships with a wide variety of companies in the global project finance industry (e.g. commercial banks, rating agencies, monoline insurers, bond houses, life insurance companies), allowing the company to operate at the innovative forefront of the industry. As noted above, Isolux has a proven capability to raise significant amounts of capital even with the current credit availability situation.

While the Proposer is committed to fully explore all the possibilities existing in the financing markets, the Proposer's preferred approach would be a combination of private equity investment with a TIFIA loan with and PAB's issuance. The Proposer believes that this structure is the most effective and will allow minimizing the amount of the availability payment required. All the recent availability payment transactions closed in the US concessions market, such as the East End Bridge, the Goethals Bridge in New York and Presidio Parkway in California, incorporate at least one of these debt instruments. If PABs and TIFIA loan are not available or the Project is not fully financeable with the sole use of these two debt instruments, other sources of fund such as bank debt and taxable bonds would be used.

The Proposer's preferred project financing mechanism would be therefore composed of the following instruments:

**Equity:** Isolux's 2011-2015 business plan includes the funding of its existing construction portfolio and the bidding of new projects (including this one). The plan is fully covered by the committed equity infusions from its shareholders. As mentioned in Section 1.2 Equity Member, Isolux enjoys an equity commitment of \$709 million, of which \$393 million have already been injected as of May 2013. This availability of equity and Isolux shareholder's (PSP and Grupo Isolux Corsan) commitment and support guarantee Isolux's financial capability to carry out the responsibilities of its equity investment. A proof of this capability and its commitment with transportation projects in North America is the commitment letter submitted for an amount up to \$100 million for the US36 Managed Lanes Phase 2 Project in Colorado earlier this year.

**TIFIA Loan:** Given the low-cost, long-term, subordinated nature of TIFIA financing, the Proposer intends to maximize the TIFIA loan available for the Project, assuming the letter of interest that would be submitted by IFA to the Federal Highway Administration is successful. Pursuant to MAP-21 guidelines, TIFIA loans are currently limited to a maximum of 49% of total eligible cost, instead of the previous 33%. If that 49% is obtained, the financing of the Project would become much less challenging and therefore the availability payment would be minimized. Therefore, TIFIA loan is a key issue for the project financing.

**Private Activity Bonds:** The Proposer plans to fully explore issuance of PABs to fund a portion of Project costs. Isolux believe that PABs offer a number of advantages as a funding source for the Project:

- Compatibility with TIFIA loans: PABs and TIFIA are complementary financing sources, as PAB current interest payments typically begin when the project is operational while TIFIA's repayment profile can be structured to defer current interest payments, if needed, for an additional period of five years.
- Reduced risk profile compared to a toll road project: as an availability payment concession, risk for investors is considerably lower than in a traffic-risk project. Indiana's AAA rating and its successful history of procuring P3 projects, such as the East End Bridge or the Indiana Toll Road, strengthens this approach and are a guarantee for potential investors.
- Long-term, fixed rate financing: PABs provide a long-term source of fixed-rate funding, which is well suited for the expected 35 years life of the concession and protects the Project from both refinancing risk and interest rate risk.
- Low interest rates: PABs provide the benefits of federal, state and local tax-exempt interest instruments that result in lower interest rates when compared to taxable bonds. This will allow minimizing the size of the availability payment.

As previously explained, if PAB's and TIFIA are not available or its available amount is not enough to finance the project, the Proposer would then use other debt instruments such as bank debt or taxable bonds.

In order to successfully implement the financial plan for the Project, certain roles and responsibilities will be expected to be undertaken by IFA:

**Coordination of public funding:** The Proposer expects IFA to undertake the necessary coordination to make the potential public funds available to the Concessionaire (Including the periodical availability payment during the term of the concession period, the milestone payments during construction and a completion payment).

**Coordination of TIFIA funding:** The Proposer would expect IFA to coordinate with the Concessionaire to work together in the negotiation of the TIFIA Loan.

**Securing a PAB allocation:** The Proposer would expect that IFA will provide the US DOT/FHWA with all information needed to secure this allocation.

## 5. Why should IFA select our Team?

The I-69 Development Partners Team is a 'ready to go' candidate to design, build, finance, operate and maintain Section 5 of I-69. We present the following strengths of our Team:

- Isolux Infrastructure has a wide experience in Infrastructure project development. The I-69 Section 5 Project is not Isolux's first development in the US.
- Corsan-Corviam has been regularly building approximately \$1billion of projects per year, over the last several years; Highways & Bridges are a core area of their expertise.
- The Concessionaire and Lead Contractor have successfully worked together in eight large, complex highway projects. Some of them are already in operation.
- Aztec and TYPASA have significant experience in complex highway and bridge design and in particular, they are used to working on PPP and D/B projects.
- Supporting the D/B Team, six highly qualified local contractors and design consultants with a deep local knowledge will help the Team meet the Project requirements and deliver the expected results. These companies are:
  - Gradex (Subcontractor, Earth movement)
  - Force Construction (Subcontractor, Structures and Bridges)
  - E&B Paving (Subcontractor, Concrete and Asphalt paving)
  - Burgess & Niple (Engineering Subconsultant firm, Alignment, Structures)
  - Christopher B. Burke (Engineering Subconsultant firm, Hydraulics, Drainage)
  - Infrastructure Engineering, a DBE company (Engineering Subconsultant firm, Structures)

These companies can show past experience working together in the area. Some of them have been part of Teams for the construction of previous sections of I-69.

In summary, our Team includes two key strengths for a successful project delivery which are:

- Experience in large highway project development, design and construction and
- A strong local component through our group of local partners from Indiana.